

For Immediate Release

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Federal Government Issues New Poverty Line for 2009 More Oregonians Now Qualify for State Services

(Silverton) — The federal government today raised the poverty line, which Oregon uses to determine eligibility for some public assistance programs. As a result, more Oregonians now qualify for Employment Related Day Care, the state's child care subsidy program, and the Oregon Health Plan, the state's Medicaid program, at a time when the state faces a revenue shortfall.

"Today there are more vulnerable Oregonians who will see their access to certain public assistance programs affected by the legislature's budget decisions than there were yesterday," said Michael Leachman, policy analyst with the Oregon Center for Public Policy.

The 2009 Federal Poverty Income Guidelines, published in today's *Federal Register*, set the definition of poverty that Oregon uses to determine eligibility for programs such as child care subsidies, Head Start, food stamps, school lunches, energy assistance and some health care programs.

The poverty guidelines vary by family size. This year, for example, a family of three with an annual income of \$18,310 or under qualifies as poor, up from \$17,600 in 2008. A four-person family would be poor if their annual income is \$22,050 or less.

"As the poverty line rises, more Oregonians fall under it and become eligible for certain programs," said Leachman.

But one of those programs, Employment Related Day Care, takes a large hit under Governor Ted Kulongoski's proposed budget.

Families currently qualify for the Employment Related Day Care subsidy if their income is under 185 percent of the federal poverty guidelines. Today's poverty adjustment means that three-person families with incomes up to \$33,874 will be eligible, up from \$32,560.

The Governor's budget would limit the child care subsidy to families who found a job after receiving cash assistance from the state. Families already working but

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earning little and needing the subsidy would be disqualified under the Governor's plan, said Leachman.

"The number of families who lose out on child care assistance under the Governor's plan just went up," said Leachman.

On the other hand, Leachman noted, the Governor has proposed reopening the Oregon Health Plan to about 75,000 working adults with incomes under poverty and expanding health coverage to children with incomes under 200 percent of poverty.

"That's an important step in the right direction," said Leachman. "Unfortunately, since the number of working adults added to the Oregon Health Plan effectively would be capped under the Governor's proposal, many will still lack coverage."

Leachman hoped that the legislature will consider raising revenue beyond what the Governor's budget contemplates.

"Oregon faces a revenue problem," he said, "and for the state to meet its obligations to its neediest population, we need to come up with revenue solutions."

The Oregon Center for Public Policy is a non-partisan research institute that does in-depth research and analysis on budget, tax and economic issues. The Center's goal is to improve decision making and generate more opportunities for all Oregonians.

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NOTE TO REPORTERS AND EDITORS:

A table showing the 2009 poverty line by family size, broken out by annual, monthly and hourly income, is available at www.ocpp.org and attached.

Federal Poverty Guidelines, 2009

| Family Size | Yearly Income | Monthly Income | Hourly Income |
|---|---------------|----------------|---------------|
| 1 | \$10,830 | \$903 | \$5.21 |
| 2 | \$14,570 | \$1,214 | \$7.00 |
| 3 | \$18,310 | \$1,526 | \$8.80 |
| 4 | \$22,050 | \$1,838 | \$10.60 |
| 5 | \$25,790 | \$2,149 | \$12.40 |
| 6 | \$29,530 | \$2,461 | \$14.20 |
| 7 | \$33,270 | \$2,773 | \$16.00 |
| 8 | \$37,010 | \$3,084 | \$17.79 |
| For each additional person, add \$3,740 (yearly), \$312 (monthly), \$1.80 (hourly). | | | |

Source: *Federal Register* Vol. 74, No. 14, January 23, 2009, pp. 4199-4201. Monthly and hourly data calculated by OCPP and rounded to the nearest dollar and cent, respectively. The hourly rate is based on 40 hours of work per week for a full year (2080 hours).

Federal Poverty Guidelines, 2008

| Family Size | Yearly Income | Monthly Income | Hourly Income |
|---|---------------|----------------|---------------|
| 1 | \$10,400 | \$867 | \$5.00 |
| 2 | \$14,000 | \$1,167 | \$6.73 |
| 3 | \$17,600 | \$1,467 | \$8.46 |
| 4 | \$21,200 | \$1,767 | \$10.19 |
| 5 | \$24,800 | \$2,067 | \$11.92 |
| 6 | \$28,400 | \$2,367 | \$13.65 |
| 7 | \$32,000 | \$2,667 | \$15.38 |
| 8 | \$35,600 | \$2,967 | \$17.12 |
| For each additional person, add \$3,600 (yearly), \$300 (monthly), \$1.73 (hourly). | | | |

Source: *Federal Register* Vol. 73, No. 15, January 23, 2008, pp. 3971-3972. Monthly and hourly data calculated by OCPP and rounded to the nearest dollar and cent, respectively. The hourly rate is based on 40 hours of work per week for a full year (2080 hours).